

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1211 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-1.1-5.5-3, AS AMENDED BY P.L.219-2007,
- 4 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 JULY 1, 2008]: Sec. 3. (a) For purposes of this section, "party"
- 6 includes:
- 7 (1) a seller of property that is exempt under the seller's ownership;
- 8 or
- 9 (2) a purchaser of property that is exempt under the purchaser's
- 10 ownership;
- 11 from property taxes under IC 6-1.1-10.
- 12 (b) ~~Before~~ **Except as provided in section 3.5 of this chapter, in**
- 13 **addition to** filing a conveyance document with the county auditor
- 14 under IC 6-1.1-5-4, all the parties to the conveyance must do the
- 15 following:
- 16 (1) Complete and sign a sales disclosure form as prescribed by the
- 17 department of local government finance under section 5 of this
- 18 chapter. All the parties may sign one (1) form, or if all the parties
- 19 do not agree on the information to be included on the completed
- 20 form, each party may sign and file a separate form.
- 21 (2) Before filing a sales disclosure form with the county auditor,
- 22 submit the sales disclosure form to the county assessor. The
- 23 county assessor must review the accuracy and completeness of
- 24 each sales disclosure form submitted immediately upon receipt of

1 the form and, if the form is accurate and complete, stamp the form
2 as eligible for filing with the county auditor and return the form
3 to the appropriate party for filing with the county auditor. If
4 multiple forms are filed in a short period, the county assessor
5 shall process the forms as quickly as possible. For purposes of this
6 subdivision, a sales disclosure form is considered to be accurate
7 and complete if:

8 (A) the county assessor does not have substantial evidence
9 when the form is reviewed under this subdivision that
10 information in the form is inaccurate; and

11 (B) the form:

12 (i) substantially conforms to the sales disclosure form
13 prescribed by the department of local government finance
14 under section 5 of this chapter; and

15 (ii) is submitted to the county assessor in a format usable to
16 the county assessor.

17 (3) File the sales disclosure form with the county auditor.

18 (c) Except as provided in subsection (d), the auditor shall forward
19 each sales disclosure form to the county assessor. The county assessor
20 shall retain the forms for five (5) years. The county assessor shall
21 forward the sales disclosure form data to the department of local
22 government finance and the legislative services agency in an electronic
23 format specified jointly by the department of local government finance
24 and the legislative services agency. The county assessor shall forward
25 a copy of the sales disclosure forms to the township assessors in the
26 county. The forms may be used by the county assessing officials, the
27 department of local government finance, and the legislative services
28 agency for the purposes established in IC 6-1.1-4-13.6, sales ratio
29 studies, equalization, adoption of rules under IC 6-1.1-31-3 and
30 IC 6-1.1-31-6, and any other authorized purpose.

31 (d) In a county containing a consolidated city, the auditor shall
32 forward the sales disclosure form to the appropriate township assessor.
33 The township assessor shall forward the sales disclosure form to the
34 department of local government finance and the legislative services
35 agency in an electronic format specified jointly by the department of
36 local government finance and the legislative services agency. The
37 forms may be used by the county assessing officials, the department of
38 local government finance, and the legislative services agency for the
39 purposes established in IC 6-1.1-4-13.6, sales ratio studies,
40 equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6,
41 and any other authorized purpose.

42 (e) If a sales disclosure form includes the telephone number or
43 Social Security number of a party, the telephone number or Social
44 Security number is confidential.

45 (f) County assessing officials and other local officials may not
46 establish procedures or requirements concerning sales disclosure forms

that substantially differ from the procedures and requirements of this chapter.

SECTION 2. IC 6-1.1-5.5-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 3.5. (a) This section applies to a conveyance that:**

(1) is a single family residential:

(A) first lien purchase money mortgage transaction; or

(B) refinancing transaction; and

(2) is closed after December 31, 2009.

(b) Not later than September 1, 2009, the department of local government shall establish and maintain an electronic system for the collection and storage of the sales disclosure form data set forth in section 5(a) of this chapter with respect to a conveyance to which this section applies.

(c) The system established by the department under this section must include a form that:

(1) is uniformly accessible in an electronic format to the closing agent (as defined in IC 6-1.1-12-43(a)(2)) in the transaction; and

(2) allows the closing agent to:

(A) input the sales disclosure form data set forth in section 5(a) of this chapter with respect to the transaction; and

(B) submit the form electronically to a data base maintained by the department of local government finance.

(d) Subject to subsection (e), the department shall make the information stored in the data base described in subsection (c)(2)(B) accessible to:

(1) county auditors;

(2) county assessors;

(3) township assessors;

(4) the legislative services agency; and

(5) the department;

for the purposes authorized by section 3(c) and 3(d) of this chapter.

(e) If the sales disclosure form data submitted by a closing agent under subsection (c)(2)(B) includes the telephone number or the Social Security number of a party, the telephone number or the Social Security number is confidential."

Page 1, line 6, delete "following:" and insert "following".

Page 1, line 6, reset in roman "information:".

Page 2, delete lines 18 through 23.

Page 2, line 24, reset in roman "(16)".

Page 2, line 24, delete "(18)".

Page 2, line 30, strike "IC 6-1.1-12-43(c)(1)." and insert "**IC 6-1.1-12-43(b)(1).**"

Page 2, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 4. IC 6-1.1-5.5-6, AS AMENDED BY P.L.154-2006,

SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) **Subject to subsection (c)**, the county auditor may not **refuse to** accept a conveyance document ~~if~~ **solely because:**

(1) the sales disclosure form signed by all the parties and attested as required under section 9 of this chapter is not included with the document; ~~or~~

(2) the sales disclosure form does not contain the information described in section 5(a) of this chapter; **or**

(3) in the case of a conveyance to which section 3.5 of this chapter applies:

(A) the closing agent fails to submit an electronic form in accordance with section 3.5(c)(2)(B) of this chapter; or

(B) the electronic form submitted by the closing agent under section 3.5(c)(2)(B) of this chapter is incomplete or determined by any official or agency described in section 3.5(d) of this chapter to be inaccurate.

(b) **Subject to subsection (c)**, the county recorder ~~shall not~~ **may not refuse to** record a conveyance document ~~without evidence that the parties have filed a completed sales disclosure form with the county auditor;~~ solely on the basis of any of the reasons set forth in subsection (a).

(c) Notwithstanding subsections (a) and (b), if any of the circumstances described in subsection (a)(1) through (a)(3) apply:

(1) a party to the conveyance who is required to file a sales disclosure form under section 3 of this chapter:

(A) is not relieved of the party's duty to file or correct the sales disclosure form required by this chapter; and

(B) is subject to the penalties set forth in section 12 of this chapter; and

(2) a closing agent who is required to submit an electronic sales disclosure form under section 3.5(c)(2)(B) of the chapter:

(A) is not relieved of the closing agent's duty to submit or correct the electronic sales disclosure form required by section 3.5(c)(2)(B) this chapter; and

(B) is subject to the penalties set forth in section 12(f) of this chapter.

SECTION 5. IC 6-1.1-5.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) **Except as provided in subsection (b)**, a person who signs a sales disclosure form shall attest in writing and under penalties of perjury that to the best of the person's knowledge and belief the information contained in the sales disclosure form is true and correct.

(b) An electronic sales disclosure form that is submitted in accordance with section 3.5(c)(2)(B) of this chapter is subject to any verification requirements that the department may prescribe by rule adopted under IC 4-22-2.

SECTION 6. IC 6-1.1-5.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) **Except as provided in subsection (f)**, a party to a conveyance who:

(1) is required to file a sales disclosure form under this chapter; and

(2) fails to file a sales disclosure form at the time and in the manner required by this chapter; is subject to a penalty in the amount determined under subsection (b).

(b) The amount of the penalty under subsection (a) is the greater of:

(1) one hundred dollars (\$100); or

(2) twenty-five thousandths percent (0.025%) of the sale price of the real property transferred under the conveyance document.

(c) **Except as provided in subsection (f)**, the township assessor in a county containing a consolidated city, or the county assessor in any other county, shall:

(1) determine the penalty imposed under this section;

(2) assess the penalty to the party to a conveyance; and

(3) notify the party to the conveyance that the penalty is payable not later than thirty (30) days after notice of the assessment.

(d) **Except as provided in subsection (f)**, the county auditor shall:

(1) collect the penalty imposed under this section;

(2) deposit penalty collections as required under section 4 of this chapter; and

(3) notify the county prosecuting attorney of delinquent payments.

(e) **Except as provided in subsection (f)**, the county prosecuting attorney shall initiate an action to recover a delinquent penalty under this section. In a successful action against a person for a delinquent penalty, the court shall award the county prosecuting attorney reasonable attorney's fees.

(f) **A closing agent who:**

(1) is required to submit an electronic sales disclosure form under section 3.5(c)(2)(B) of this chapter; and

(2) fails to submit the electronic sales disclosure form at the time and in the manner prescribed by the department of local government finance;

is subject to the penalty set forth in IC 6-1.1-12-43(h)."

Page 3, line 40, delete "The" and insert "**Except as provided in subsection (d)**, the".

Page 4, line 4, delete "For use in transactions involving a first lien purchase money" and insert "**As used in this subsection, "transaction" has the meaning set forth in section 43(a)(4) of this chapter. Not later than September 1, 2009, the department of local government finance shall establish and maintain an electronic system that automatically applies the deduction provided by section 1 of this chapter to a person entitled to the deduction provided by section 1 of this chapter. The system established by the**

department under this subsection must include a form that, with respect to a transaction that is closed after December 31, 2009:

(1) is uniformly accessible in an electronic format to the closing agent (as defined in section 43(a)(2) of this chapter) in the transaction that is the basis for the person's eligibility for the deduction provided by section 1 of this chapter; and

(2) allows the closing agent to:

(A) input the information concerning the transaction that is the basis for the person's eligibility for the deduction provided by section 1 of this chapter; and

(B) submit the form electronically to a data base maintained by the department of local government finance.

The department shall make the data base described in subdivision (2)(B) accessible to the county auditor in each county in Indiana. If the form submitted by a closing agent under subdivision (2)(B) is complete, the county auditor in the county in which the real property is located must accept the form and apply the deduction in accordance with section 17.8(c) of this chapter. The county auditor may not require the closing agent, the person entitled to the deduction, or any other person to provide any other information or form of identification for the person entitled to the deduction under section 1 of chapter to receive the deduction. If the form submitted by a closing agent under subdivision (2)(B) includes the telephone number or Social Security number of any individual, the telephone number or Social Security number is confidential."

Page 4, delete lines 5 through 15.

Page 4, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 8. IC 6-1.1-12-42.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 42.5. (a) This section applies to a transaction that:**

(1) is a single family residential:

(A) first lien purchase money mortgage transaction; or

(B) refinancing transaction; and

(2) is closed after December 31, 2009.

(b) Not later than September 1, 2009, the department of local government finance shall establish and maintain an electronic system for the collection and storage of the following information concerning any of the following persons that have participated in or assisted with a transaction to which this section applies, or that will participate in or assist with a transaction to which this section applies:

(1) The name and license number (under IC 23-2-5) of each loan brokerage business involved in the transaction.

(2) The name and registration number (under IC 23-2-5) of each originator involved in the transaction.

- 1 **(3) The name and license number (under IC 25-34.1) of each:**
2 **(A) principal broker; and**
3 **(B) salesperson or broker-salesperson, if any;**
4 **involved in the transaction.**
5 **(4) The name and certificate number (under IC 27-7-3) of**
6 **each title insurance company involved in the transaction.**
7 **(5) The name and license number (under IC 27-1-15.6) of each**
8 **title insurance agent involved in the transaction.**
9 **(6) The name and:**
10 **(A) license or certificate number (under IC 25-34.1-3-8) of**
11 **each licensed or certified real estate appraiser; or**
12 **(B) license number (under IC 25-34.1) of each broker;**
13 **who appraises the property that is the subject of the**
14 **transaction.**
15 **(7) The name of the mortgagee and, if the mortgagee is**
16 **required to be licensed under IC 24-4.5-3-502, the license**
17 **number of the mortgagee.**
18 **(c) The system established by the department under this section**
19 **must include a form that:**
20 **(1) is uniformly accessible in an electronic format to the**
21 **closing agent (as defined in section 43(a)(2) of this chapter) in**
22 **the transaction; and**
23 **(2) allows the closing agent to:**
24 **(A) input the information described in subsection (b) with**
25 **respect to each person described in subsection (b) that**
26 **participates in or assists with the transaction, to the extent**
27 **determinable; and**
28 **(B) submit the form electronically to a data base**
29 **maintained by the department of local government finance.**
30 **(d) Subject to subsection (c), the department shall make the**
31 **information stored in the data base described in subsection**
32 **(c)(2)(B) accessible to:**
33 **(1) each entity described in IC 4-6-12-4; and**
34 **(2) the homeowner protection unit established under**
35 **IC 4-6-12-2.**
36 **(e) The department, a closing agent who submits under**
37 **subsection (c), each entity described in IC 4-6-12-4, and the**
38 **homeowner protection unit established under IC 4-6-12-2 shall**
39 **exercise all necessary caution to avoid disclosure of any**
40 **information:**
41 **(1) concerning a person described in subsection (b), including**
42 **the person's license, registration, or certificate number; and**
43 **(2) contained in the data base described in subsection**
44 **(c)(2)(B);**
45 **except to the extent required or authorized by state or federal**
46 **law."**
47 Page 5, line 20, delete "2008:" and insert "2008, and before

- 1 **January 1, 2010:".**
- 2 Page 5, delete lines 21 through 24.
- 3 Page 5, line 25, delete "(2)" and insert "(1)".
- 4 Page 5, line 27, delete "the sales disclosure form prescribed by the"
- 5 and insert **"if the transaction is a first lien purchase money**
- 6 **mortgage transaction, the sales disclosure form prescribed by the**
- 7 **department under IC 6-1.1-5.5-5, the form prescribed by the**
- 8 **department under IC 6-1.1-20.9-3 to allow a person to claim the**
- 9 **credit provided by IC 6-1.1-20.9-2, and the form prescribed by the**
- 10 **department under section 2(a) of this chapter to allow a person to**
- 11 **claim the deduction provided by section 1 of this chapter; or**
- 12 **(ii) if the transaction is a refinancing transaction, the**
- 13 **form prescribed by the department under section 2(a) of**
- 14 **this chapter to allow a person to claim the deduction**
- 15 **provided by section 1 of this chapter.".**
- 16 Page 5, delete lines 28 through 34.
- 17 Page 5, line 35, delete "subject to subsection (f),".
- 18 Page 5, line 36, delete "form" and insert **"forms"**.
- 19 Page 5, line 37, delete "subject to subsection (f),".
- 20 Page 5, line 37, delete "form" and insert **"forms"**.
- 21 Page 5, line 39, delete "(3)" and insert "(2)".
- 22 Page 5, line 39, delete "closing:" and insert **"closing,"**.
- 23 Page 5, line 40, delete "(A)".
- 24 Page 5, run in lines 39 through 40.
- 25 Page 5, line 41, after "this" insert **"chapter by providing the**
- 26 **customer with the form prescribed by the department under**
- 27 **subsection (b)."**
- 28 Page 5, delete line 42.
- 29 Page 6, delete lines 1 through 6.
- 30 Page 6, line 8, delete "2008." and insert **"2008, and before January**
- 31 **1, 2010.".**
- 32 Page 6, line 8, delete "a form" and insert **"the forms"**.
- 33 Page 6, line 9, delete "(d)(2)(B)" and insert **"(d)(1)(B)"**.
- 34 Page 6, line 11, delete "file the signed sales" and insert **"file:**
- 35 **(A) the signed sales disclosure form with the appropriate**
- 36 **county assessor and county auditor in accordance with**
- 37 **IC 6-1.1-5-3;**
- 38 **(B) the signed mortgage deduction form in accordance**
- 39 **with section 2(a) of the chapter; and**
- 40 **(C) the signed homestead credit form in accordance with**
- 41 **IC 6-1.1-20.9-3.".**
- 42 Page 6, delete lines 12 through 13.
- 43 Page 6, between lines 16 and 17, begin a new paragraph and insert:
- 44 **"(f) This subsection applies to a transaction that is closed after**
- 45 **December 31, 2009. The closing agent shall do the following:**
- 46 **(1) At the time of the closing, inform the customer of the**

deductions available under sections 9, 11, 13, 14, 16, 17.4, 26, 29, 31, 33, and 34 of this chapter by providing the customer with the form prescribed by the department under subsection (b).

(2) As soon as possible after the closing, and within the time prescribed by the department of local government finance:

(A) for a transaction that is a first lien purchase money mortgage transaction:

(i) input the electronic sales disclosure form data and submit the electronic sales disclosure form in accordance with IC 6-1.1-5.5-3.5(c)(2);

(ii) input the information and submit the form described in IC 6-1.1-20.9-3(d)(2) to enable the customer to receive the credit provided by IC 6-1.1-20.9-2;

(iii) input the information and submit the form described in section 2(d)(2) of this chapter to enable the customer to receive the deduction provided by section (1) of this chapter; and

(iv) input the information and submit the form described in IC 6-1.1-12-42.5(c)(2); and

(B) for a refinancing transaction:

(i) input the information and submit the form described in section 2(d)(2) of this chapter to enable the customer to receive the deduction provided by section (1) of this chapter; and

(ii) input the information and submit the form described in IC 6-1.1-12-42.5(c)(2), to the extent applicable."

Page 6, line 17, delete "(f)" and insert "(g)".

Page 6, line 20, delete "At the time of the closing, a customer may refuse to:".

Page 6, delete lines 21 through 27.

Page 6, line 28, delete "(g)" and insert "(h)".

Page 6, line 36, delete "(h)" and insert "(i)".

Page 6, line 39, delete "or".

Page 6, between lines 39 and 40, begin a new line block indented and insert:

"(2) with respect to a transaction that is closed after June 30, 2008, and before January 1, 2010, the closing agent's failure to file a document under subsection (e);

(3) with respect to a transaction that is closed after December 31, 2009, the closing agent's failure to input any information or submit any form described in subsection (f)(2); or".

Page 6, line 40, delete "(2)" and insert "(4)".

Page 6, line 42, delete "(i)" and insert "(j)".

Page 7, line 4, delete "(g)." and insert "(h).".

Page 8, line 6, delete "For use in transactions involving a

conveyance (as defined in" and insert **"As used in this subsection, "transaction" has the meaning set forth in section 43(a)(4)(A) of this chapter. Not later than September 1, 2009, the department of local government finance shall establish and maintain an electronic system that automatically applies the credit provided by section 2 of this chapter to a person entitled to the credit provided by section 2 of this chapter. The system established by the department under this subsection must include a form that, with respect to a transaction that is closed after December 31, 2009:**

(1) is uniformly accessible in an electronic format to the closing agent (as defined in section 43(a)(2) of this chapter) in the transaction that is the basis for the person's eligibility for the credit provided by section 2 of this chapter; and

(2) allows the closing agent to:

(A) input the information concerning the transaction that is the basis for the person's eligibility for the credit provided by section 2 of this chapter; and

(B) submit the form electronically to a data base maintained by the department of local government finance.

The department shall make the data base described in subdivision (2)(B) accessible to the county auditor in each county in Indiana. If the form submitted by a closing agent under subdivision (2)(B) is complete, the county auditor in the county in which the real property is located must accept the form and apply the credit in accordance with section 2(f) of this chapter. The county auditor may not require the closing agent, the person entitled to the credit, or any other person to provide any other information or form of identification for the person entitled to the credit under section 2 of chapter to receive the credit. If the form submitted by a closing agent under subdivision (2)(B) includes the telephone number or Social Security number of any individual, the telephone number or Social Security number is confidential."

Page 8, delete lines 7 through 42, begin a new paragraph and insert:
"SECTION 11. IC 20-24-8-5, AS AMENDED BY P.L.2-2006, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. The following statutes and rules and guidelines adopted under the following statutes apply to a charter school:

- (1) IC 5-11-1-9 (required audits by the state board of accounts).**
- (2) IC 20-39-1-1 (unified accounting system).**
- (3) IC 20-35 (special education).**
- (4) IC 20-26-5-10 and IC 20-28-5-9 (criminal history).**
- (5) IC 20-26-5-6 (subject to laws requiring regulation by state agencies).**
- (6) IC 20-28-7-14 (void teacher contract when two (2) contracts are signed).**
- (7) IC 20-28-10-12 (nondiscrimination for teacher marital status).**

- (8) IC 20-28-10-14 (teacher freedom of association).
- (9) IC 20-28-10-17 (school counselor immunity).
- (10) For conversion charter schools only, IC 20-28-6, IC 20-28-7, IC 20-28-8, IC 20-28-9, and IC 20-28-10.
- (11) IC 20-33-2 (compulsory school attendance).
- (12) IC 20-33-3 (limitations on employment of children).
- (13) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student due process and judicial review).
- (14) IC 20-33-8-16 (firearms and deadly weapons).
- (15) IC 20-34-3 (health and safety measures).
- (16) IC 20-33-9 (reporting of student violations of law).
- (17) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).
- (18) IC 20-31-3, IC 20-32-4, IC 20-32-5, IC 20-32-6, IC 20-32-8, or any other statute, rule, or guideline related to standardized testing (assessment programs, including remediation under the assessment programs).
- (19) IC 20-33-7 (parental access to education records).
- (20) IC 20-31 (accountability for school performance and improvement).
- (21) Beginning with the school year that begins in the calendar year beginning January 1, 2010, IC 20-30-5-19 (instruction concerning consumer transactions and personal financial responsibility).**

SECTION 12. IC 20-30-5-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 19. (a) Beginning with the school year that begins in the calendar year beginning January 1, 2010, each school corporation (including each charter school) and each nonpublic school that voluntarily has become accredited under IC 20-19-2-8 shall include in its curriculum for all students in grades 9 through 12 instruction designed to:**

- (1) increase students' awareness of certain consumer transactions, including mortgage transactions; and**
- (2) foster personal financial responsibility.**

(b) A school corporation (including a charter school) and a nonpublic school that voluntarily has become accredited under IC 20-19-2-8 may meet the requirements of subsection (a) by:

- (1) integrating the instruction described in subsection (a) in its required mathematics curriculum; or**
- (2) conducting a separate class or seminar that includes the instruction described in subsection (a).**

(c) A person may not receive a high school diploma from a school subject to this section unless the person has received the instruction required by this section.

(d) The department, in collaboration with the department of financial institutions established by IC 28-11-1-1, shall develop

1 **guidelines and the state board shall adopt rules under IC 4-22-2 to**
 2 **assist teachers assigned to provide the instruction required by this**
 3 **section."**

4 Delete pages 9 through 10.

5 Page 12, delete lines 3 through 4.

6 Page 13, line 20, delete "." and insert **"upon which there is a**
 7 **dwelling that is or will be used by the debtor primarily for**
 8 **personal, family, or household purposes."**

9 Page 14, between lines 12 and 13, begin a new line block indented
 10 and insert:

11 **"(23) "Dwelling" means a residential structure that contains**
 12 **one (1) to four (4) units, regardless of whether the structure**
 13 **is attached to real property. The term includes an individual:**
 14 **(a) condominium unit;**
 15 **(b) cooperative unit;**
 16 **(c) mobile home; or**
 17 **(d) trailer;**
 18 **that is used as a residence."**

19 Page 14, line 27, delete "an interest in land" and insert **"a mortgage**
 20 **transaction"**.

21 Page 14, line 28, strike "the principal" and insert **"a"**.

22 Page 16, line 19, delete "Except that not more than twenty-five
 23 percent (25%) of the".

24 Page 16, delete line 20.

25 Page 16, line 21, delete "transaction may be precomputed, this" and
 26 insert "This".

27 Page 16, run in lines 19 through 21.

28 Page 18, line 2, delete "a purchase money".

29 Page 18, line 3, delete "mortgage transaction or the refinancing of".

30 Page 18, line 7, delete "a purchase money mortgage transaction or
 31 the refinancing of".

32 Page 18, line 19, reset in roman "(3)".

33 Page 18, line 19, delete "A" and insert **"Except for a first lien**
 34 **mortgage transaction, a"**.

35 Page 18, line 19, reset in roman "delinquency charge may not be
 36 collected on an installment or".

37 Page 18, reset in roman lines 20 through 27.

38 Page 18, line 28, reset in roman "(4)".

39 Page 18, line 28, delete "(3)".

40 Page 18, line 42, reset in roman "(5)".

41 Page 18, line 42, delete "(4)".

42 Page 19, line 3, delete "(5)".

43 Page 20, line 27, delete "Except that not more than twenty-five
 44 percent (25%) of the".

45 Page 20, delete line 28.

46 Page 20, line 29, delete "transaction may be precomputed, this" and

- 1 insert "This".
- 2 Page 20, run in lines 27 through 29.
- 3 Page 23, line 15, delete "a purchase money".
- 4 Page 23, line 16, delete "mortgage transaction or the refinancing of".
- 5 Page 23, line 20, delete "a purchase money mortgage transaction or
- 6 the refinancing of".
- 7 Page 23, line 33, reset in roman "(3)".
- 8 Page 23, line 33, delete "A" and insert **"Except for a first lien**
- 9 **mortgage transaction, a"**.
- 10 Page 23, line 33, reset in roman "delinquency charge may not be
- 11 collected on an installment or".
- 12 Page 23, reset in roman lines 34 through 41.
- 13 Page 23, line 42, reset in roman "(4)".
- 14 Page 23, line 42, delete "(3)".
- 15 Page 24, line 14, reset in roman "(5)".
- 16 Page 24, line 14, delete "(4)".
- 17 Page 24, line 17, reset in roman "(6)".
- 18 Page 24, line 17, delete "(5)".
- 19 Page 24, line 35, rest in roman "or".
- 20 Page 24, line 36, delete "date;" and insert "date.".
- 21 Page 24, delete lines 37 through 41.
- 22 Page 26, line 27, delete "Except that not more than twenty-five
- 23 percent (25%) of the".
- 24 Page 26, delete line 28.
- 25 Page 26, line 29, delete "transaction may be precomputed, this" and
- 26 insert "This".
- 27 Page 26, run in lines 27 through 29.
- 28 Page 27, delete lines 35 through 42.
- 29 Delete pages 28 through 30.
- 30 Page 31, delete lines 1 through 16.
- 31 Page 32, between lines 4 and 5, begin a new paragraph and insert:
- 32 **"(c) As used in this section, "stated income or no documentation**
- 33 **loan" means a home loan with respect to which a creditor:**
- 34 **(1) relies solely on a prospective borrower's written or oral**
- 35 **statement of the prospective borrower's creditworthiness; and**
- 36 **(2) does not independently verify the accuracy of the**
- 37 **prospective borrower's statement by conducting a reasonable**
- 38 **inquiry into the prospective borrower's creditworthiness;**
- 39 **in making an underwriting determination with respect to the**
- 40 **prospective borrower.**
- 41 **(d) A creditor may not do either of the following:**
- 42 **(1) Recommend or issue a stated income or no documentation**
- 43 **loan to a prospective borrower.**
- 44 **(2) Recommend or issue a home loan to a prospective**
- 45 **borrower without first conducting a reasonable inquiry into**
- 46 **the prospective borrower's creditworthiness. A creditor, or**

any officer, agent, or employee of a creditor, that conducts a reasonable inquiry under this section is not liable to:

(A) a borrower or prospective borrower;

(B) a subsequent purchaser of a home that was the subject of a home loan on which a borrower has defaulted; or

(C) any other person;

if a borrower later defaults on a home loan issued by the creditor."

Page 32, delete lines 5 through 18.

Delete page 33.

Page 34, delete lines 1 through 3.

Page 34, line 6, delete "ability, as" and insert "ability."

Page 34, delete line 7.

Page 34, line 32, delete "to:" and insert "to".

Page 34, line 33, delete "(1)".

Page 34, run in lines 32 through 33.

Page 34, line 37, delete "amended;" and insert "amended."

Page 34, delete lines 38 through 42.

Page 35, delete line 1.

Page 35, line 16, delete "Not" and insert "(a) Subject to subsection (b), not".

Page 35, between lines 25 and 26, begin a new paragraph and insert:

(b) A borrower may waive the right to receive the closing documents with respect to a home loan by providing a written notice of waiver to the settlement service provider at or before the time of closing.

(c) If the terms of the home loan set forth in the closing documents made available to the borrower under subsection (a) differ from the terms of the home loan presented to the borrower at the time of the closing, the borrower is entitled to delay or reschedule the closing without penalty and without forfeiting the right to enter into the loan or, in the case of a purchase money home loan, into the purchase contract. For purposes of the subsection, "terms", with respect to a home loan, include any of the following:

(1) The total loan amount.

(2) The loan's rate, including the trigger rate.

(3) Points and fees.

(4) Payment amounts and schedules.

(5) The term or duration of the loan.

(6) Prepayment penalties, if any.

(7) Acceleration provisions.

(8) Servicing of the loan.

(9) Other provisions concerning the rights and responsibilities of the parties to the home loan.

Sec. 6. (a) A settlement service provider is subject to a civil penalty of twenty-five dollars (\$25) for each instance in which the

- 1 settlement service provider fails to:
- 2 (1) provide a prospective borrower with the notice required
- 3 by section 4 of this chapter; or
- 4 (2) make closing documents available to a borrower as
- 5 required by section 5 of this chapter, unless the borrower has
- 6 waived the borrower's right to receive the closing documents
- 7 under section 5(b) of this chapter.
- 8 (b) A penalty described in subsection (a):
- 9 (1) may be enforced by the state agency that has
- 10 administrative jurisdiction over the settlement service
- 11 provider in the same manner that the agency enforces the
- 12 payment of fees or other penalties payable to the agency; and
- 13 (2) shall be paid into the property tax replacement fund.
- 14 (c) A settlement service provider is not liable for any other
- 15 damages claimed by a customer because of the closing agent's
- 16 failure to comply with this chapter.
- 17 **Sec. 7. "**
- 18 Page 35, line 28, after "to" insert "**file, submit, or**".
- 19 Page 35, line 35, delete "determination that a home loan is suitable
- 20 for a" and insert "**reasonable inquiry into a prospective borrower's**
- 21 **creditworthiness.)"**.
- 22 Page 35, delete line 36.
- 23 Page 35, between lines 36 and 37, begin a new paragraph and insert:
- 24 "**SECTION 33. IC 34-30-2-96.8 IS ADDED TO THE INDIANA**
- 25 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
- 26 **[EFFECTIVE JULY 1, 2008]: Sec. 96.8. IC 24-9-4.5-6 (Concerning**
- 27 **a settlement service provider's failure to provide closing**
- 28 **documents to a borrower)."**.
- 29 Page 37, delete lines 22 through 42.
- 30 Page 38, delete line 1 through 2.
- 31 Renumber all SECTIONS consecutively.
- (Reference is to HB 1211 as printed January 25, 2008.)

Representative Murphy